

**Minutes of the meeting of the South Bank Academies Audit Committee
held at 2.00 pm on Thursday, 28 November 2019
Technopark, SE1 6LN**

Present

Richard Flatman (Chair)
Tony Giddings

In attendance

Helena Abrahams
Michael Broadway
Alexander Enibe
Natalie Ferer
Anjali Kothari - Moore Kingston Smith (for minutes 1-17)
Nicole Louis
Fiona Morey
Om Parkash
Ashni Patel – Moore Kingston Smith (for minutes 1-17)

1. Welcome and apologies

The Chair welcomed members to the meeting including Fiona Morey (SBA CEO) and Helena Abrahams (Business Manager), to their first Audit committee meeting.

Anjali Kothari and Ashni Patel (Moore Kingston Smith) were in attendance.

2. Declarations of interest

No member declared any interest in any item on the agenda.

3. Minutes of previous meeting

The committee approved the minutes of the meeting held on 26 June 2019 and the decision by email of 9 October 2019.

4. Matters arising

The committee noted the actions arising from the previous meeting.

Under item 4, the HR Manager confirmed that the Academy now has a fully operating Ofsted-compliant single central record (SCR).

The committee noted that the tendering of the SBA catering contract as part of a group-wide contract. The committee requested an update at a future meeting.

Under item 8, the committee requested the Business Manager to write the ESFA to inform them about the write-off.

5. External audit findings

The committee discussed in detail the draft external audit findings report.

The committee noted that all except one of the high risk areas identified from last year's audit have been cleared.

The committee noted that the auditors were planning on providing an unqualified opinion of the accounts. The auditors had requested a modified regularity report in the accounts due to a number of regularity issues being identified during the course of the audit.

The committee noted the ongoing work by management and the auditors to finalise the report.

6. Going concern statement

The committee noted the going concern statement, which provided assurance that the 2018/19 accounts could be prepared on a going concern basis.

7. System of internal control report (to discuss)

The committee discussed the system of internal control report, which provided evidence for the internal control statement in the 2018/19 accounts.

The report recognised that the Trust has taken action to address the significant number of control weaknesses which were identified during 2016/17 and 2017/18 audits. The external auditors were satisfied that 21 out of 25 actions had been implemented.

The committee noted that action plans are in place for the small number of outstanding actions.

8. Annual value for money report

The committee noted that the annual Value for Money report is included in the accounts.

The committee noted the evidence included in the report, which demonstrated how the Trust has delivered value for money during the year.

9. External audit letter of representation

The committee reviewed the external audit letter of representation which was recommended to the committee by the Executive, and noted the representation specific to SBA in the letter.

The committee recommended the letter to the Board for approval.

10. **SBA Annual Report and Accounts**

The committee reviewed the draft annual report and accounts for the year ending 31 August 2019.

The committee supported the draft annual report and accounts and noted that amendments would be circulated to the committee before the accounts are considered by the Board.

11. **SBA Internal Audit progress**

The committee noted an update of SBA Internal Audit progress.

The committee discussed the PwC internal audit report on risk management and value for money, which was rated “medium” risk.

The committee noted that SBA has now moved to a Group risk approach which would deal with its risk management processes. The committee had approved the BDO annual plan on 9 October 2019 via email. Upcoming audits include key financial controls, health and safety risk management and IT security.

12. **Financial controls policy and SBA financial scheme of delegation**

The committee noted the revised SBA financial control policy and financial scheme of delegation and requested the Trust Manager to further review and bring it back to its next meeting on 10 March 2020.

13. **SBA Audit committee revised terms of reference**

The committee noted the SBA Audit committee revised terms of reference.

The committee noted that LSBU audit committee has changed its terms of reference so that it has an oversight role over the audit aspects of the whole of the LSBU Group, including SBA.

The SBA terms of reference has been revised to reflect these changes.

The committee recommended its revised terms of reference to the Board for approval, subject to a minor amendment.

14. **ESFA response letter (27 September 2019)**

The committee noted the ESFA response letter of 27 September 2019.

15. **ESFA Self-assessment checklist (14 Nov 2019)**

The committee noted the submission of the ESFA self-assessment checklist (14 November 2019).

16. **Group speak up policy**

The committee noted the Group speak up policy.

Under the policy, speak up matters are reported to the independent chair of the Group audit committee and the independent chair of the SBA Board as appropriate. Each audit committee will receive regular updates on local speak up matters. The speak up report for the LSBU audit committee will cover all speak up matters raised in the group.

17. **Anti-fraud, bribery and corruption report**

The committee noted the anti-fraud, bribery and corruption report.

The committee noted that the UAE matter has been reported to the police through Action Fraud.

18. **Appointment of auditors**

In the absence of the external auditors.

The committee noted the External Audit Tender.

The committee noted that Moore Kingston Smith have acted as auditors of South Bank Academies for 7 years since incorporation.

The committee noted the recommendation that SBA uses the Crescent Purchasing Consortium recommended by the ESFA and that Moore Kingston Smith are not on this framework.

The committee noted that a selection panel will be set up for the tender process.

The committee noted that they can also invite other auditors that have academies experience to participate.

The committee requested Group Financial Controller to start the process and circulate the invitation to tender to the interested auditors.

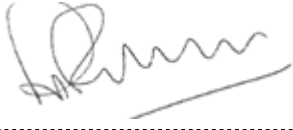
The committee noted that the Chair of the Audit committee and Tony Giddings (member of audit committee) would be on the selection panel.

The committee approved the sourcing strategy and use of the Crescent Purchasing Consortium.

An update will be provided to the Board.

Date of next meeting
2.00 pm, on Tuesday, 10 March 2020

Confirmed as a true record

A handwritten signature in black ink, consisting of a large initial 'L' followed by several loops and a long horizontal stroke at the end.

..... (Chair)